

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Behavioral Health	(2) MEETING DATE 9/16/2014	(3) CONTACT/PHONE Jeff Hamm, Health Agency Director 781-4719	
(4) SUBJECT Submittal of a report on the effects of the Affordable Care Act on health services in San Luis Obispo County.			
(5) RECOMMENDED ACTION It is recommended that the Board receive and file this report on the effects of the Affordable Care Act on health services in San Luis Obispo County.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT { } Consent { } Presentation { } Hearing (Time Est. ____) { x } Board Business (Time Est. <u>45 min</u>)			
(11) EXECUTED DOCUMENTS { } Resolutions { } Contracts { } Ordinances { x } N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A { } 4/5 Vote Required { x } N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY { x } N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Reviewed by Leslie Brown			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Jeff Hamm, Health Agency Director

DATE: 9/16/2014

SUBJECT: Submittal of a report on the effects of the Affordable Care Act on health services in San Luis Obispo County.

RECOMMENDATION

It is recommended that the Board receive and file this report on the effects of the Affordable Care Act on health services in San Luis Obispo County.

DISCUSSION

In the spring of 2010 the federal government enacted the Patient Protection and Affordable Care Act, commonly referred to as the Affordable Care Act (ACA). The ACA contains many provisions affecting change in the nation's health care delivery and financing systems. Among the most significant provisions are the opportunity for states to expand their Medicaid programs, called Medi-Cal in California, and the individual mandate that all individuals not covered by an employer sponsored health plan, Medicare, Medi-Cal or some other insurance program obtain health insurance. In June 2013, the California Legislature passed and Governor Brown signed the implementing legislation to enact the ACA in California. As a result, millions of uninsured Californians became eligible for coverage under either an expanded Medi-Cal program or under new low-cost or subsidized insurance programs offered by Covered California, our State's version of the federally required health exchange.

The expansion of Medi-Cal, which took effect on January 1, 2014, affects the availability of both physical and behavioral health services in two important ways. First, low income childless adults not previously eligible for Medi-Cal are now eligible. It is estimated that between 12,000 and 19,000 previously uninsured San Luis Obispo County residents are now eligible to be enrolled in Medi-Cal. Second, the Medi-Cal expansion also includes requirements to establish or expand behavioral health services for people living with mental illness and/or substance use disorders. The ACA also allows states to establish state-based health insurance exchanges to assist individuals and small businesses in purchasing health insurance and requires plans sold through the exchanges to include mental health and substance use disorder treatment services. These changes present significant implications for many of the County Health Agency's health care service delivery programs.

As recently reported to your Board by the Department of Social Services (DSS), Medi-Cal applications both state wide and here in San Luis Obispo County have far exceeded the State's initial estimates. DSS reported that 13,176 Medi-Cal applications had been received between October 1, 2013 and August of this year. This number represents 18,424 County residents.

According to CenCal Health, the Medi-Cal Managed Care Plan administering Medi-Cal in Santa Barbara and San Luis Obispo Counties, approximately 14,000 new members have been added in SLO County since January. Of those, approximately 8,500 are attributed to the ACA. The balance is new enrollees who would have been eligible under the prior eligibility criteria.

The most recent data available for San Luis Obispo County from Covered California shows 12,256 individuals enrolled in a health plan. It is unknown how many of these enrollees lacked health insurance prior to January 2014. Reasons for

previously-insured persons buying insurance through the health exchange this year include loss of employer-based insurance or desire to receive federal premium subsidies available to households with incomes less than 400% of the federal poverty limit. Over 90% of Covered California enrollees from SLO County received premium subsidies.

Health/Medical Care Services

On January 7, 2014 staff submitted an extensive report to your Board describing the history of the County's program to ensure the availability of medical care services to indigent persons who are "not supported and relieved" by other means (the so-called Medically Indigent Adult, or MIA). It was also reported that the expansion of the Medi-Cal program under the ACA was likely to reduce the number of MIAs for whom the County would be responsible from 3,200 (in FY 2012-13) to as few as 350. Starting in January 2014, the County began to refer to its MIA program, historically called the County Medical Services Program (CMSP) by the more traditional title, Medically Indigent Services Program (MISP).

Through the first eight months post ACA, very few individuals have applied for, and even fewer have been determined eligible for coverage under MISP. None were enrolled during the first three months of the calendar year—a period of time during which individuals and families were able to enroll in tax subsidized (arguably more affordable) insurance through the Covered California exchange. During the second quarter of the calendar year, only six individuals were enrolled. During the first two months of the current fiscal year, only one additional person has been enrolled, and two more are pending. These numbers are striking, and not at all what staff expected. Staff has recently increased our outreach efforts to all referral sources. Though the number of enrollees to date is indeed dramatically lower than the original upper estimates, it is still too soon to determine future MISP enrollment with any confidence.

Behavioral Health Services

Mental Health Services

For many years a gap existed in the availability of needed services to individuals experiencing mild to moderate mental illnesses. This gap existed because even mild to moderate levels of mental illness were beyond the scope of most medical care providers beyond basic medications. Psychotherapeutic services, up to 2 sessions per month by certain providers (psychologists and Licensed Clinical Social Workers) were reimbursed by "fee for service" Medi-Cal at very low rates, and were, therefore, minimally available. The definition of mild to moderate versus severe relates to both diagnostic criteria and level of functioning. There are specific screening tools agreed upon and used by both the Behavioral Health Department and The Holman Group screeners to do an initial determination of level of care. New benefits developed under the ACA for the treatment of mild to moderate mental illnesses, and funding provided by the State Department of Health Care Services to CenCal Health to ensure the delivery of those treatment services, has bridged that gap.

CenCal Health has contracted with The Holman Group, LLC, to develop a network of approximately 60 community providers, including Psychiatrists, Psychologists, Licensed Marriage and Family Therapists, and Licensed Clinical Social Workers. During the first six months of the calendar year, CenCal reports that over 2,800 mental health "visits" or encounters have been provided to patients with mild to moderate mental illness—700 by Psychiatrists and 2,100 by other clinicians. CenCal Health and The Holman Group are committed to further developing the provider network as the demand requires.

The County Behavioral Health Department continues to treat individuals and their families who suffer from severe mental illnesses, as it has historically. A workgroup comprised of representatives of CenCal Health, The Holman Group and the Behavioral Health Department has developed a referral flow mechanism to assist clients requesting services to receive the appropriate level of care. This has been a successful effort, and very few clients have required second level reviews to determine the appropriate level of care and, therefore, provider.

The Behavioral Health Department has provided assessments to over 300 adults and over 300 youth in the first six months of this calendar year. Of these new clients to the system, 102 adults were newly enrolled in Medi-Cal under the ACA. The remaining 200+ were Medi-Cal eligible under the pre-ACA criteria. Over 200 currently open clients became newly eligible for Medi-Cal during the same period. These clients had previously received mental health services through our Department but did not have any insurance.

Assessments for mental health services for youth have increased 17% (616 versus 523) during the first six months of 2014, compared with the same six month period last year. Conversely, assessments for adults have decreased by 6%

(620 versus 661), also compared to the same period last year. The decrease in adult assessments may be attributed largely to the new benefits associated with the mild to moderate levels of mental illness, now provided by The Holman Group. The increase in assessments for youth may be a reflection of the conversion of youth services from the Healthy Families coverage to Medi-Cal. Youth previously enrolled in the now terminated Healthy Family program had been receiving assessments and treatment in the private sector.

Substance Use Disorder Services

The ACA expanded benefits for Substance Use Disorder services to include Intensive Outpatient Services, Residential Treatment, and Inpatient Detoxification services. There are also additional requirements for Primary Care Providers (PCP's) to screen patients using the SBIRT approach (Screening, Brief Intervention, Referral and Treatment) for alcohol abuse. The Behavioral Health Department provides assessment and treatment for all outpatient levels of substance use disorder services, and partners with Sober Living Environments (SLE's) to provide a combination of housing and treatment.

The Department has assessed 144 adults and 18 youth during the first six months of 2014. One hundred thirty seven of those adults were newly enrolled in Medi-Cal as a result of the ACA. Over 300 currently open clients in substance use disorder services became newly eligible and enrolled for Medi-Cal during the first six months of the year. These clients previously received substance use disorder treatment but did not have insurance.

Wait list times for substance use disorder services are measured differently than in mental health. All individuals who present for an evaluation are given one within seven days. At that time, the client may be put on a wait list for a specific program, set of groups, etc. Preference for entry to treatment, by contract with the State, is given to pregnant/perinatal women and IV drug users. Staffing level increases necessary to treat the influx of newly eligible clients are in process. Eight of the 16 new Drug and Alcohol services positions approved in this year's budget have been filled to date, and four more offers are pending.

OTHER AGENCY INVOLVEMENT/IMPACT

The Affordable Care Act has had a significant impact on the County Health Agency and other community providers, most notably CenCal Health, Community Health Centers of the Central Coast, and most other providers of health and behavioral health services in the County.

FINANCIAL CONSIDERATIONS

The Affordable Care Act has had significant financial effects on public and private insurance plans, health care providers of all types, and consumers. The financial impacts to the County Health Agency, whether positive or negative, were anticipated and provided for in the adopted FY 2014-15 budget. It is too early in the fiscal year to assess and report on the extent to which staff's forecast of those impacts was accurate. However, there are no financial considerations associated with the recommended action, which is to receive and file this status report.

RESULTS

Review and public discussion of this report will help inform the Board of Supervisors and the public as to the current status of the implementation of the Affordable Care Act in San Luis Obispo County, as well as increase understanding of new benefits available and previous service gaps that have been addressed due to implementation of the Act.